

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Northbridge Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 22, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.35% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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NORTHBRIDGE CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*
2020	558,435	16,049,248	1,258,844	85,172	1,902,451
2021	579,376	15,877,499	1,309,198	85,172	1,973,746
2022	601,103	15,639,071	1,361,566	85,172	1,971,794 #
2023	623,644	15,326,902	1,416,028	85,172	2,045,756
2024	647,031	14,933,322	1,472,670	85,172	2,051,534
2025	671,295	14,450,011	1,531,576	85,172	2,128,571
2026	696,468	13,867,939	1,592,839	85,172	2,208,628
2027	722,586	13,177,320	1,656,553	85,172	2,291,826
2028	749,683	12,367,543	1,722,815	85,172	2,378,285
2029	777,796	11,427,115	1,791,728	85,172	2,468,136
2030	806,963	10,343,588	1,863,397	85,172	2,561,510
2031	837,224	9,103,486	1,937,933	85,172	2,658,546
2032	868,620	7,692,221	2,015,450	85,172	2,759,388
2033	901,193	6,094,014	2,096,068	85,172	2,864,185
2034	934,988	4,291,795	2,179,911	85,172	2,973,092
2035	970,050	2,267,107	2,267,107	85,172	3,086,271
2036	1,006,427	-	-	85,172	1,091,599

Amortization of Unfunded Liability as of July 1, 2019

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2020	Fresh Start	1,258,844	4.00%	16	1,258,844	16

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.

* Includes recognition of the following asset gains/(losses) in Fiscal 2022 and 2024, recognized over the remainder of the funding schedule:

2022	\$	873,484
2024	\$	720,837

Contribution amount violates Section 22F